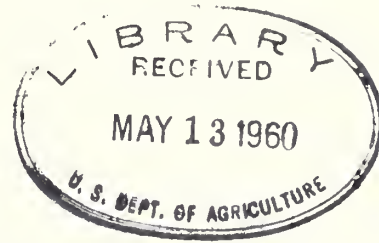


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Prospects for Foreign Trade in



FOOD AND FEED GRAINS
DRY PEAS, DRY BEANS, SEEDS, HOPS

Foreign Agricultural Service
UNITED STATES DEPARTMENT OF AGRICULTURE
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PROSPECTS FOR FOREIGN TRADE IN FOOD AND FEED GRAINS DRY PEAS, DRY BEANS, SEEDS, HOPS

SUMMARY

In 1959-60, U.S. exports of two food grains--wheat and rye--are expected to be smaller than in 1958-59; and those of rice, larger:

	Wheat ²	Rye	Rice ³
	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. cwt.</i>
1958-59 ¹	443	8	13.7
1959-60 ¹	425	5	19.6

¹For wheat and rye, July-June marketing year; for rice, August-July.

²Includes flour in terms of grain.

³Milled basis.

Individual feed grain exports are expected to vary also: corn and grain sorghums are expected to be larger than last year, and oats and barley, smaller.

	Corn	Oats	Barley	Grain sorghums
	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. bu.</i>
1958-59 ¹	216	32	117	95
1959-60 ¹	235	30	110	110

¹July-June marketing year.

U. S. dry beans will continue to find a good market abroad during 1959-60; exports are expected to total about 3.5 million bags compared with last year's record of almost 4 million. U. S. exports of dry edible peas also are expected to be smaller than they were last year--1 million bags compared with 1.5 million.

U. S. grass and legume seed shipments in 1959-60 are forecast at about the level exported last year--38.6 million pounds.

As for hops, because of a record world crop, U. S. exports are not likely to reach the 1958-59 record of 18.5 million pounds, but should continue at a high level--probably ranging between 16 and 17 million pounds.

The importance to the Nation of the foreign trade prospects for all these items is apparent when these figures are considered: Taken together, these items--grain and grain products, dry beans and peas, seeds, and hops--represented 41.3 percent of U. S. agricultural exports in 1958-59 and 8.9 percent of total exports that year. The year before, they represented 33.2 percent of agricultural exports and 7.1 percent of the total.

GRAIN AND GRAIN PRODUCTS

Aided by governmental incentives and technological progress, world production of food and feed grains continued at high levels in 1959-60 although 3.3 percent below that of a year ago. The rapid upward trend in production in both exporting and importing countries since the end of World War II continues to call for cooperation of U. S. Government and trade to assure American producers a reasonable share of the world's market.

Though preliminary estimates show production in 1959-60 as smaller than in 1958-59, it is far above the 1950-54 average. Aggregate production of wheat, rye, rice, corn, oats, and barley this year is forecast at 784 million metric tons compared with 811 million tons last year and 669 million in 1950-54. (World production data for grain sorghums are not available.)

The smaller world outturn of food and feed grain this year is due mainly to large reductions in the U. S. and Russian wheat and oats crops, in the corn crops of Russia and Mainland China, in the U. S. and Canadian barley crops, and in Mainland China's rice crop. Compared with 1950-54, the largest increases are in wheat, rice, and corn. Barley shows a substantial increase, but oats are down and rye remains about the same.

It is still too early for a firm estimate of the world's 1959-60 trade in grains. Tentative estimates are that it will prove to be about the same as last year for bread grains (wheat 33 million metric tons and rye 1.2 million tons), somewhat under the estimated calendar 1959 level of 6 million tons (milled) for rice, but substantially above the estimated 1958-59 level of 21.2 million tons for feed grains.

TABLE 1.--Food and feed grain: World production, average 1950-54, annual 1958-59 and 1959-60

Grain	Average 1950-54	1958-59	1959-60
	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>
Food grains:			
Wheat.....	189,966	236,505	215,005
Rye.....	36,959	37,086	35,562
Rice.....	179,590	217,780	213,654
Total.....	406,515	491,371	464,221
Feed grains:			
Corn.....	143,518	186,320	195,845
Oats.....	60,383	61,544	53,706
Barley.....	58,677	71,959	70,543
Sorghums.....	(¹)	(¹)	(¹)
Total.....	262,578	319,823	320,094
Grand total.....	669,093	811,194	784,315

¹ Not available.

Factors Affecting Export Prospects

Numerous factors govern the ability of importing countries to provide outlets for the grain surpluses of exporting countries and of exporting countries to hold or expand their markets. As far as U. S. grain and grain products in 1959-60 are concerned these are, the most significant:

Favorable Factors.--(1) No more than moderate increases, if any, in total supplies of wheat in Argentina and Australia during the marketing seasons beginning in November-December 1959; greatly reduced exportable supplies of wheat in the Soviet Union; smaller wheat crops in such minor exporting countries as Uruguay, Turkey, Italy, and Syria; prospects for substantially increased wheat and flour exports to many countries in Asia,

Africa, and Latin America; and possibility of a small increase in wheat import requirements in a few European countries because of shifts from wheat to feed grain production.

(2) Increased demand for feed grains because of drought damage to pastures and forage and root crops in many European countries; and continued upward trends in livestock and poultry numbers in many foreign countries.

(3) Continued upward trend in world population and persistent efforts to diversify diets and improve nutritional levels in underdeveloped countries as consumer purchasing power increases.

(4) Marked improvements in the gold and dollar reserves and in the purchasing power of most of the industrialized countries, especially in Western Europe; easing of balance of payments problems in many foreign countries; and indications that several countries are giving consideration to liberalization of measures restricting imports from dollar areas.

(5) Continued high level of economic aid to less developed countries, and possibilities that the Food For Peace program may result in increased exports of grain and grain products to such countries.

(6) Continued opportunities for moving U. S. grain surpluses into export channels under existing surplus disposal programs.

Unfavorable Factors.--(1) Continued high level of exportable supplies of wheat in Canada, though about 5 percent lower than a year ago; and much larger wheat crops in Europe this year with greatly increased export availabilities in France, Spain, and Eastern Europe (exclusive of the Soviet Union); Several countries have moved from importer to exporter in Western Europe in the last few years.

(2) Continued controls over wheat and flour imports by virtually all deficit producing countries in order to implement maintenance of their price supports for home-grown wheat.

(3) Trend in several European feed grain deficit producing countries to expand local production of feed grains with the help of governmental price supports and other incentives.

(4) Indications of an increase in Argentina's corn acreage for harvest next April with a possible increase in export availabilities if a good crop is realized; and reports that a larger-than-usual part of Argentina's rye, oats, and barley acreage was harvested for grain in November-December because of good grass and pasture conditions, thus probably leaving increased quantities of those grains for export.

(5) Prospects for increased competition in European corn markets from Danube Basin countries, especially Yugoslavia.

(6) Demands of farmers in many grain importing countries for greater protection against competition of imported grains because of inflationary trends and increasing living costs resulting from rising wage levels.

(7) Possibility that countries in the European Economic Community (Common Market) may adopt grain import policies that would tend to restrict market opportunities for grain and grain products from other countries.

Wheat

World Production.--The world's 1959 wheat crop totaled 7.9 billion bushels, second only to the 1958 record crop of 8.7 billion bushels. Though 800 million bushels below

last year's record, this year's crop is about 900 million bushels above the 1950-54 average. The reduction is due mainly to smaller outturns in the United States and Russia, both of which had record crops in 1958. A larger crop in other European countries this year will probably mean reduced import needs in that area during 1959-60.

With a July 1, 1959, carryover of 1,279 million bushels and a new crop of 1,117 million bushels, total supplies in the United States in 1959-60 amount to 2,396 million bushels, about 53 million bushels larger than a year ago. Deducting estimated domestic requirements of 616 million bushels leaves 1,780 million bushels for export or carryover compared with 1,720 million bushels last year. U. S. exports in 1959-60 (July-June) are expected to total 425 million bushels compared with 443 million last season.

In Canada, with an estimated August 1, 1959, carryover of 546 million bushels plus a new crop of 414 million, supplies available this season total 960 million bushels, about 51 million bushels below those of a year ago. Allowing 160 million bushels for domestic use, supplies available for export or carryover this season total 800 million bushels, only 5 percent less than a year ago. Exports during 1959-60 (August-July) are expected to total slightly below the 294 million bushels exported last season.

Argentina's total wheat supplies in 1959-60 (December-November) are tentatively estimated at 275 million bushels, 42 million bushels less than a year ago. This forecast is based on an estimated December 1, 1959, carryin of 75 million bushels and a new crop of 200 million bushels. Deducting 130 million bushels for domestic disappearance leaves 145 million bushels for export or carryover. Last year's December-November exports are estimated at somewhat less than 90 million bushels. Exports are likely to be 5 million to 10 million bushels under that level this year.

Australia, with an estimated November 1, 1959, carryover of 65 million bushels and a 1959 crop of 175 million bushels, will have supplies in 1959-60 (November-October) of 240 million bushels compared with 232 million bushels a year earlier. Allowing 80 million bushels for domestic use, the volume available for export or carryover will total 160 million bushels, practically the same as a year ago. About 100 million bushels will have to be exported in 1959-60 (November-October) if the November 1, 1960, carryover is to be no larger than that of a year earlier. Exports during the same 12 months of 1958-59 are estimated at 95 million bushels.

In Western Europe the 1959 wheat crop is estimated at an alltime high of 1,385 million bushels, 45 million bushels above last year's total. Quality of the crop was very good. Acreage was smaller but yields were up. Winter grains suffered little damage from the widespread drought. Even spring-sown wheat was affected less than expected. Wheat harvests over most of the area were record or near record. The only substantial reductions from the 1958 crop were in Italy and Portugal.

A near-record crop in France this year may permit exports of about 75 million bushels (including flour) during 1959-60 (August-July). But how much will be available for export is uncertain because of an acute shortage and high price of feed for livestock. This is expected to result in a reduction in farm deliveries of wheat to the National Cereals Office. Also the Cereals office may retain larger wheat stocks than usual to assure adequate supplies for the following (1960-61) season. Exports in 1958-59 amounted to only 38.8 million bushels because of a relatively small and poor quality crop.

The 1959 crop in Eastern Europe (exclusive of the Soviet Union) is estimated at 595 million bushels, 19 percent above last year's poor outturn. Yields were up in most countries, but the largest increase was in Yugoslavia, which harvested an alltime record of 148 million bushels. The large Yugoslav crop is attributed mainly to increased yeilds as a result of the use of high-yielding Italian varieties.

The Soviet Union reported a substantial reduction in the acreage sown to spring wheat. Later information indicated reduced yields in many important areas because of prolonged and widespread drought. While no official estimate is available, the belief is that the crop probably did not exceed 85 percent of the 2.3 billion harvested a year ago. It is quite likely, therefore, that exports during 1959-60 will be substantially under the 178 million to 180 million bushels exported in 1958-59, especially if reserve stocks are built up.

Asia's 1959 wheat production is estimated at 1,800 million bushels compared with 1,910 million bushels a year ago, mainly because of reductions in Mainland China and Turkey. On the other hand, record crops were harvested in India and Pakistan.

In Africa this year's wheat crop is estimated at 190 million bushels compared with 205 million bushels last year. The reduction is due mainly to smaller crops in French North Africa (Algeria, Morocco, and Tunisia). As a result, exports from that area in 1959-60 are not likely to equal the 1958-59 level of 11 million bushels.

World Export Prospects.--World wheat and flour exports in 1959-60 (July-June) are currently expected to total 1,260 million bushels grain equivalent, or about the same as a year ago. Imports into European countries may decline by 40 million to 50 million bushels from the 628.5 million bushels imported in 1958-59. This reduction, however, probably will be offset by increased exports to Asia, Africa, and Latin America.

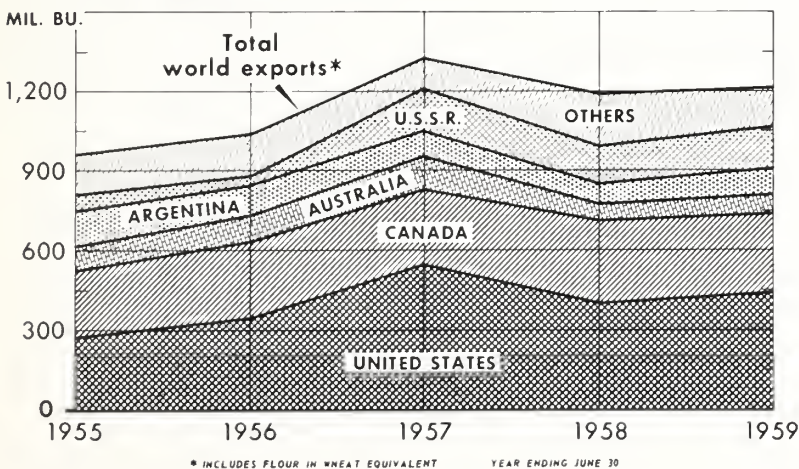
Exportable supplies are still high and competition for markets will be keen. The United States and Canada continue to hold supplies considerably in excess of what they will be able to sell abroad. France and Spain have considerable supplies for export this year and will probably be successful in selling all or most of them. On the other hand, aggregate export availabilities in the U.S.S.R., Argentina, Turkey, Italy, and North Africa are lower than a year ago.

World Exports, 1958-59.--The general trend in world wheat and flour exports is upward because of steady improvements in consumer purchasing power and dietary habits in underdeveloped areas. World exports in 1958-59 (July-June) totaled 1,259 million bushels. This was 69 million bushels above the 1957-58 total but 71 million bushels under the alltime record of 1,328 million bushels in 1956-57.

The United States, Canada, the Soviet Union, Australia, Argentina, and France are the principal exporters. There is also competition in good crop years from North Africa, Uruguay, Sweden, Syria, and Turkey. In addition, several formerly traditional deficit countries, notably Italy, West Germany, Greece, Belgium, and Ireland, have expanded their production to such an extent under price supports and other governmental incentives that they now have small surpluses of soft wheat for export although each must still import substantial quantities of hard wheat.

The United States accounted for 35 percent of the world's exports in 1958-59 compared with 34 percent in 1957-58. Shares of other exporters, with their 1957-58 percentages shown in parentheses, follow: Canada, 24 (27); U.S.S.R., 14 (12); Australia 6 (5); Argentina, 8 (3); France 3 (7).

World Wheat Trade Up Slightly; U.S.S.R. Again No. 3 Exporter



The outstanding features of last season's world trade in wheat and flour were a marked decline in French exports and an increase in exports to non-Communist countries by the U.S.S.R. French exports fell to 39 million bushels compared with 83 million bushels a year earlier. Imports of Soviet wheat by non-Communist countries at the same time reached 60 million bushels compared with only 16 million bushels in 1957-58. Soviet wheat thus filled the gap left by the short supply of French wheat. In doing so, such wheat cut sharply into markets which otherwise might have been supplied by the United States and Canada.

TABLE 2.--Wheat: World production by area, average 1950-54, annual 1957-59

Area	Average 1950-54	1957	1958	1959 (Preliminary)
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	1,654	1,372	1,881	1,570
Western Europe.....	1,150	1,370	1,340	1,385
Eastern Europe.....	490	580	500	595
U.S.S.R. (Europe and Asia).....	1,240	1,800	2,300	(¹)
Asia.....	1,765	1,915	1,910	1,800
Africa.....	185	185	205	190
South America.....	310	320	330	265
Oceania.....	186	101	220	188
World total.....	6,980	7,645	8,690	7,900

¹ Not available. Tentative unofficial estimate included in world total.

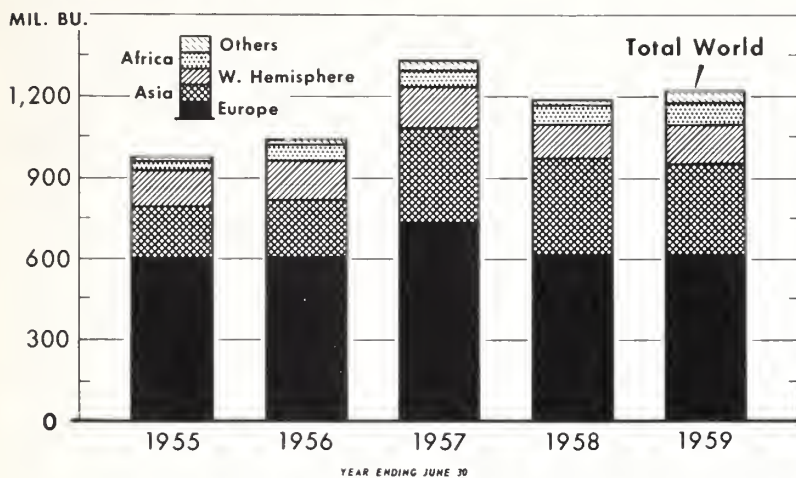
TABLE 3.--Wheat and flour: World exports by principal countries, averages 1900-54, annual 1955-59

Year beginning July 1	United States ¹	Canada ²	Australia	Argentina	Others	Total
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
Average:						
1900-09 ³	155	38	26	84	293	596
1910-19 ³	183	128	55	89	210	665
1920-29 ³	222	267	89	154	108	840
1930-39 ³	75	201	114	130	190	710
1940-49.....	415	252	83	76	52	878
1950-54.....	330	300	98	81	159	968
Annual:						
1955.....	345	289	102	115	189	1,040
1956.....	549	282	126	98	⁴ 273	1,328
1957.....	402	316	61	78	333	1,190
1958 ⁵	443	300	75	103	338	1,259
1959 ⁶	425	292	90	90	363	1,260

¹ Excludes the wheat equivalent of exports of flour milled in bond. Includes principal wheat products other than flour. ² Includes wheat exported to the United States for milling in bond and subsequent export by the United States. Also includes U. S. imports from Canada of "wheat unfit for human consumption." ³ Calendar years. ⁴ Includes estimates of intra-Communist Bloc exports not fully accounted for in previous years.

⁵ Preliminary. ⁶ Estimated.

Europe & Asia World's Largest Wheat & Flour Importers



USDA

FAS-NEG. 1957

The principal reasons for the anticipated reduction are increased export availabilities in France and expectation of reduced sales to traditional dollar markets in Western Europe. Exports to Asian, Latin American and African markets on the other hand, are expected to increase somewhat.

Europe and Asia continued as the principal importing areas. However, most of the recent growth in the trade is accounted for by larger imports into Asia, especially India and Pakistan, where food needs have been expanding more rapidly than domestic production. The latter development is true also of many countries in Latin America and Africa, where increasing numbers of people are shifting from corn and other cereals to wheat products.

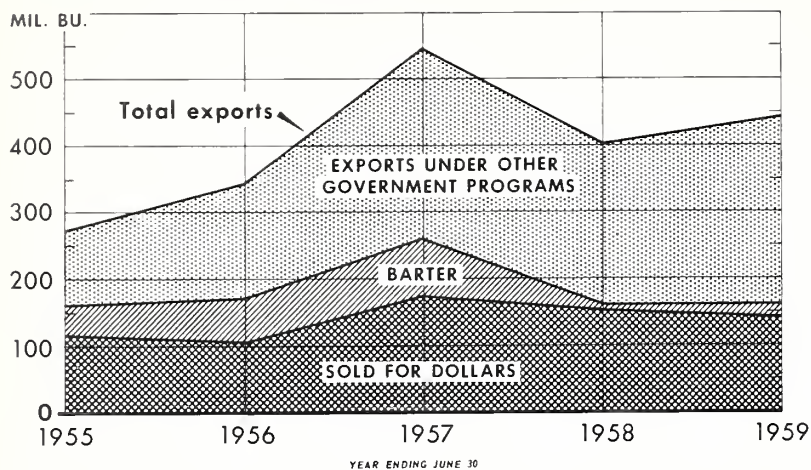
U.S. Export Prospects.--- Exports of U.S. wheat and flour in 1959-60 are currently expected to amount to 425 million bushels compared with 443 million bushels in 1958-59.

TABLE 4.--Bread grain: U. S. exports, by area of destination, 1957-58 and 1958-59

Destination	1957-58			1958-59		
	Wheat and flour	Rye	Total	Wheat and flour	Rye	Total
Western Hemisphere.....	1,418	1	1,419	1,633	6	1,639
Europe.....	3,218	87	3,305	3,472	209	3,681
Africa.....	266	--	266	764	--	764
Asia.....	6,031	2	6,033	6,192	--	6,192
Oceania.....	1	--	1	1	--	1
Unspecified ¹	4	--	4	3	--	3
Total.....	10,938	90	11,028	12,065	215	12,280

¹ Includes shipments for relief or charity.

U. S. Wheat Exports Increase; Dollar Sales Down Slightly



U.S. wheat and flour exports have been maintained at high levels during the past few years mainly through the help of government programs. Dollar sales have remained fairly stable, at about 150 million bushels annually, but sales for foreign currencies under P.L. 480 have increased steadily since 1954-55. They accounted for more than half of the total in 1958-59. Barter transactions, after reaching 86 million bushels in 1956-57, accounted for only 10 million to 20 million bushels in each of the past two seasons.

USDA

FA5-NEG, 1960

Rye

The world's 1959-60 rye crop is estimated at 1.4 billion bushels, about 4 percent below that of a year ago. The reduction is due mainly to a smaller crop in the Soviet Union. In both Eastern Europe (Poland and Danube Basin countries) and Western Europe the crop was slightly higher than a year ago. These countries usually account for 95 percent of the world's crop.

While rye is mostly a stay-at-home crop, any substantial increase or reduction in the Russian and European crop, where large quantities are used for human food and for feeding livestock, has an important impact on the demand for wheat and feed grains in Western Europe. Most of the world rye exports normally move from Russia and Poland to Western Europe. In addition, most Western European countries both import and export rye, exchanging surpluses of food rye for surpluses of feed rye.

The food use of rye in the important European producing countries has been declining, and so its use for feed has increased. Continued increase in the use of rye for feed depends on price relationships between rye and other feed grains. Rye production, however, continued to be encouraged in most European countries by high price supports.

TABLE 5.--Rye: World production by area, average 1950-54, annual 1957-59

Area	Average 1950-54	1957	1958	1959 (Preliminary)
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	40	36	40	29
Western Europe.....	263	272	265	270
Eastern Europe.....	410	448	440	445
U.S.S.R. (Europe and Asia).....	690	600	650	(¹)
Asia.....	24	29	32	26
South America.....	27	26	33	28
World total.....	1,455	1,410	1,460	1,400

¹ Not available. Tentative unofficial estimate included in world total.

Rice

World Production--Rice acreage and production in 1959-60 (August-July) continued their upward trend in virtually all countries except Mainland China. Mainly because of reduced acreage and yields in Mainland China, where a third of the world's crop is grown, world production is estimated at only 471 billion pounds (rough rice basis) compared with 480 billion a year ago. This is, however, 19 percent above the 1950-54 average of 396 billion pounds.

Because of increased acreage, favorable weather, and improved practices, production outside of the Far Eastern Communist areas reached a new record. Very good crops were harvested in India, Japan, and Pakistan. Production was up also in Malaya, the Republic of Korea, and the Philippines. Larger crops were harvested also in the principal Far Eastern exporting countries--Burma, Cambodia, Thailand, and Vietnam--which usually account for more than 60 percent of the world exports.

Owing to continually expanding acreage and higher yields, 1959-60 production in the Western Hemisphere is expected to total 19.5 billion pounds compared with 18.7 billion pounds a year ago. The largest increase is in the United States, the principal Western Hemisphere exporter, where the crop is estimated at 5.3 billion pounds compared with 4.7 billion a year ago. Large increases are reported also for Mexico, the Caribbean area, Central America, and South America, especially in Chile.

Production in Western Europe remained about the same as a year ago. Reductions in Italy and France were offset by gains in Spain, Portugal, and Greece. Because of greatly increased yields, total production in Hungary, Rumania, and Bulgaria is 33 percent higher than a year ago.

African production is estimated at 10.1 billion pounds against 8.6 billion last year. Production in Oceania, mainly Australia, is smaller than a year ago but well above the 1950-54 average.

TABLE 6.--Rice (rough): World production by area, average 1950-54, annual 1957-58 through 1959-60

Area	Average 1950-54	1957-58	1958-59	1959-60
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
North and Central America.....	6,515.1	6,230.5	6,671.2	7,423.1
South America.....	9,898.9	12,038.4	12,051.5	12,125.2
Western Europe.....	3,266.3	3,046.3	3,232.0	3,229.2
Eastern Europe.....	296.5	391.2	356.2	395.0
Southwest Asia.....	1,922.4	2,128.3	1,989.7	2,185.8
East Central Asia.....	141,280.0	158,500.0	184,300.0	169,000.0
Other Asia.....	223,929.1	233,065.8	261,356.0	264,984.5
North Africa.....	1,874.9	2,965.3	1,785.3	2,831.0
Central Africa.....	5,927.6	7,438.2	6,763.6	7,286.4
South Africa.....	15.6	30.0	23.0	25.0
Oceania.....	268.0	334.0	389.0	337.0
Total.....	395,924.4	427,368.0	480,117.5	471,022.2

World Export Availabilities--The world's 1960 export availabilities of long and medium grain rice are likely to be about the same as in 1959. Short grain rice, however, will be in an easier supply position, as far as the Free World is concerned although this may be offset by a lower level of exports from Communist China. In Asian areas,

export supplies are expected to be higher for Burma but generally at 1959 levels for other exporters. There has been no important build-up of old-crop supplies. As a result, export supplies in 1960 will again be drawn largely from crops produced in 1959.

While information in 1960 export availabilities is still fragmentary, there is no immediate danger of a rapid build-up of unmanageable stocks in major exporting countries. January 1, 1960, working stocks of short grain varieties will be at a much lower level than usual in Egypt, Madagascar and other African countries, and in the Western Hemisphere. Good crops are in prospect in virtually all of these areas, however, and these will move to market in fairly large volume early in 1960. Export stocks of old-crop rice will be almost nonexistent in Italy, Spain, Argentina, and Brazil.

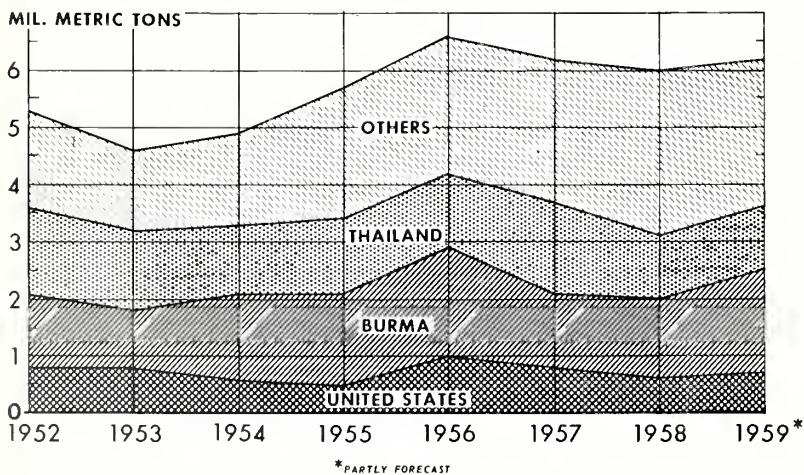
International trade in rice during calendar 1960 will most likely follow the 1959 pattern, with supplies moving largely from usual working stocks and current production and only a relatively small amount from old crops. About all of the known surplus from former crops is concentrated in Burma. In that country, the total tonnage from crops grown from 1952 through 1957 as of September 1, 1959, did not exceed 145,000 long tons. This will be reduced by January 1, 1960. Of that amount, an appreciable portion probably is rice suitable only for industrial use.

World Import Requirements.--Per capita increases in consumption, generally in evidence throughout the world since 1952, together with annual increases in population continue to keep overall requirements expanding at a higher rate than production. From contracts entered into by major importers during the last 3 months of 1959, it may be assumed that the first 6 months of the 1960 market will be more active than was the case in the same period last year, and that world trade may be close to the 1957 level of 13.4 billion pounds, milled basis.

The area of the largest import requirements will continue to be centered in Indonesia, Ceylon, Pakistan, Malaya, and India. These countries are presently importing increasing quantities from Free World sources in addition to amounts purchased under P.L. 480 from the United States. For 1960, the exceptions will be Japan, where continued record production has reduced import requirements from 1.6 million metric tons in 1954-55 to less than 300,000 tons currently, and the Philippines which will be only a limited importer, if at all, in 1960.

Review of 1959 World Trade.--Calendar 1959 was a satisfactory marketing year for all major rice exporting countries as far as the volume of trade was concerned.

U. S. Shares in Expanding World Rice Trade



World exports, exclusive of Communist China, are estimated at 11,300 million pounds, milled rice basis, compared with 10,372 million pounds in 1958. Including Communist China, the total may prove to have been somewhat lower than the 1958 level of 13,022 million pounds. The market was extremely sluggish the first half of the year but came back strong in the last 4 months.

Burmese and U.S. exports were much larger than in 1958. Those for Thailand were larger as was the case for Cambodia, Pakistan, South Vietnam, British Guiana, and Australia. However, those from Taiwan, Italy, Spain, Egypt, and Madagascar were much smaller.

TABLE 7.--Rice (in terms of milled): Exports from principal exporters, average 1951-55, annual 1957-59

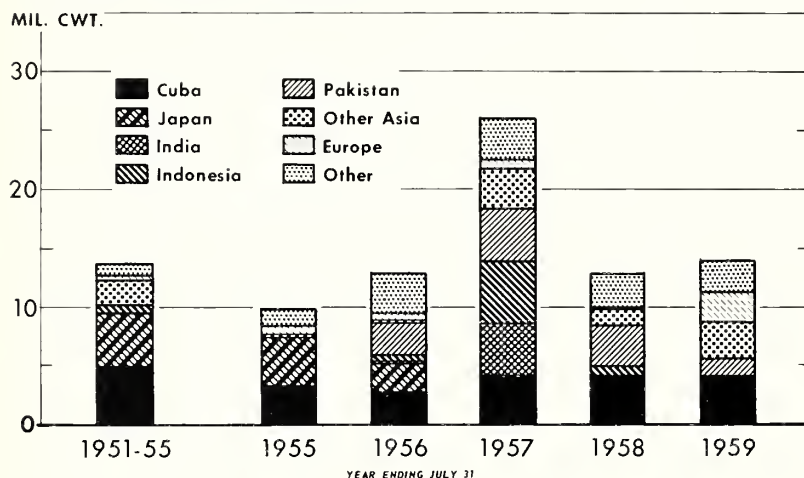
Country	Average 1951-55	1957	1958	1959 ¹
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Asia:				
Burma.....	2,910	3,867	3,112	4,350
Cambodia.....	267	429	465	450
Pakistan.....	291	5	0	150
South Vietnam.....	336	405	248	500
Taiwan.....	210	319	431	350
Thailand.....	3,042	3,474	2,504	2,535
Other.....	124	137	112	175
Total.....	7,180	8,636	6,872	8,510
Western Hemisphere:				
British Guiana.....	85	85	40	130
United States.....	1,388	1,730	1,305	1,500
Other.....	346	187	289	220
Total.....	1,819	2,002	1,634	1,850
Europe:				
Italy.....	493	316	404	350
Spain.....	98	141	214	100
Other.....	76	110	181	140
Total.....	667	567	799	590
Africa:				
Egypt.....	249	652	811	110
Madagascar.....	65	46	128	60
Other.....	38	44	33	40
Total.....	352	742	972	210
Australia.....	71	67	95	140
Total above.....	10,089	12,014	10,372	11,300
Communist China.....	752	1,400	2,650	--
Total world.....	10,841	13,414	13,022	--

¹ Estimated.

Price Prospects.--Prices for the higher quality grades of rice in 1960 will probably show little change from 1959 levels. However, lower quality varieties and grades with more than 25-percent brokens will probably move at lower prices than in the last half of 1959. Broken rice and rice requiring reprocessing before utilization will continue to be difficult to move.

Prices and trade in lower quality rices and byproducts of milling, such as brokens, are more directly affected by increases in production than they are in the better qualities. This is especially true in the major Asian importing countries. As production expands in such areas, imports of cheap rice are reduced. This feature of the world market became quite pronounced in 1959 and is likely to continue with world production maintaining its current rate of increase. The solution to the problem requires that a larger percentage of total rice production be diverted to industrial rather than food use, as was the pattern prior to 1940.

U. S. Rice Exports Up; Cuba Still No. 1 Market



USDA

FAS-NEG. 1972

U.S. Exports in 1958-59.-- Exports of U.S. rice in 1958-59 (August-July) amounted to 13,740 million hundredweight, milled rice basis, compared with 12,936 million in 1957-58, an increase of about 7 percent. As usual, Cuba continued to be the main customer, taking 30 percent of the total. Other major markets were West Germany, Pakistan, the Philippines, and Ceylon.

The most important development in U.S. rice exports in 1959 was a sharp increase in shipments to Europe. These totaled 2.4 million hundredweight compared with only 227,000 a year earlier. The largest increase was in ex-

ports to West Germany. Other European countries taking greatly increased quantities were the United Kingdom, the Netherlands, and Belgium-Luxembourg.

TABLE 8.--Rice (milled basis): U. S. exports, by area of destination, average 1951-55, annual 1956-57 through 1958-59¹

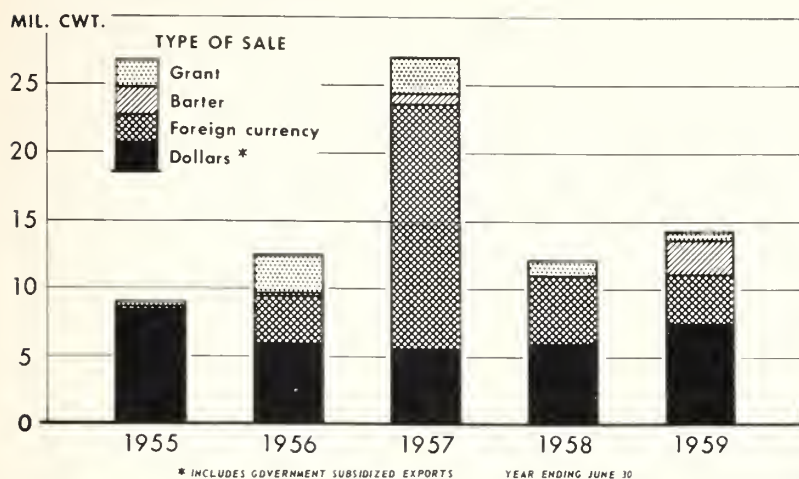
Destination	Average 1951-55	1956-57	1957-58	1958-59
Western Hemisphere.....	1,000 cwt. 5,978	1,000 cwt. 5,019	1,000 cwt. 5,895	1,000 cwt. 4,835
Europe.....	420	870	227	2,372
Asia.....	7,315	17,610	5,769	4,253
Africa.....	86	267	293	1,567
Oceania.....	14	47	52	50
Unspecified ²	4	2,337	700	663
Total.....	13,817	26,150	12,936	13,740

¹ Year ending July 31.

² Includes also shipments for relief and charity.

U.S. Export Outlook.--Total U.S. exports in 1959-60 are tentatively forecast at 19.6 million hundredweight, milled rice basis, compared with 13.7 million in 1958-59. Progress made under the payment-in-kind program during the past year indicates that commercial sales for dollars should remain at the high levels of 1958-59 or even exceed them. This will depend largely on whether U.S. sales of brown rice to Europe can remain competitive.

U. S. Rice Exports For Dollars Increase



USDA

FAS-NEG, 1973

The outlook for sales for foreign currencies under Title I of P.L. 480 also appears to be more favorable than at this time last year.

Should these trends continue to hold up reasonably well throughout the year, U.S. exports would rise considerably in 1959-60 although they still will be materially under the 1956-57 record. Under the payment-in-kind program, U.S. rice should continue to move competitively for dollars to Western Hemisphere, European, and African destinations. It is not likely that there will be any change in the status of dollar sales to Asia.

Feed Grains

In line with rapidly increasing livestock numbers and upward trends in consumer purchasing power and consumption of livestock and meat products in many countries, world feed grain production and utilization have risen markedly in recent years. This has resulted in a large increase in quantities of feed grains moving from surplus to deficit countries.

Production increases continue to reflect not only an increasing world demand but also higher yields per acre resulting from improved seed, increased use of fertilizers, and enterprise of producers in both importing and exporting countries in taking advantage of government price supports and other production incentives. Utilization increases are taking place mainly in areas which enjoy relatively high economic prosperity and which are therefore in a position to adopt better balanced diets, which means increased consumption of beef, veal, pork, lamb and mutton, poultry, eggs, and dairy products.

World Production.--Excluding grain sorghums, for which foreign production figures are not available, the world's 1959-60 production of feed grains (corn, oats, and barley) is estimated at 320.1 million metric tons. This is only slightly larger than last year's total of 319.8 million tons but 56 million tons above the 1950-54 average of 263 million tons. The small increase from a year ago reflects a reduction in this year's oats and barley production. World corn production is much higher.

The world's 1959-60 corn crop is tentatively estimated at an alltime high of 7.7 billion bushels compared with the previous record of 7.3 billion bushels last year. The current season's crop is 36 percent above the 1950-54 average of 5.7 billion bushels. The increase is mainly the result of a bumper U.S. crop--4.4 billion bushels compared with 3.8 billion last year--though record crops in the Danube Basin, especially in Yugoslavia and Rumania, and in Mexico and larger harvests in Italy, France, and Spain are contributing factors.

In contrast, the Soviet Union appears to have a sharp reduction from last year's alltime record. Corn production in Asia is also well below the high 1958 total, owing mainly to a sharp reduction in Mainland China, the leading Asiatic producer. A slightly smaller crop is expected to be harvested in the early months of 1960 in Brazil and the Union of South Africa, but the crop in Argentina may be larger.

TABLE 9.--Corn: World production, by area, average 1950-54, annual 1957-59

Area	Average 1950-54	1957	1958	1959 (Preliminary)
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	3,330	3,688	4,092	4,705
Western Europe.....	200	255	272	295
Eastern Europe.....	388	615	473	715
U.S.S.R. (Europe and Asia).....	190	275	600	(¹)
Asia.....	720	725	850	725
Africa.....	365	415	445	430
South America.....	450	595	595	560
Oceania.....	5	5	6	6
World total.....	5,650	6,575	7,335	7,710

¹ Not available. Tentative unofficial estimate included in world total.

The world's corn area in 1959 is currently estimated at 251 million acres compared with 243 million last year and the 1950-54 average of 222 million. Although acreage has been expanding in virtually all continental areas, this year's increase was due mainly to a large increase in the U.S. area. But even more important are generally increased yields resulting from improved cultural practices and use of hybrid seed in an increasing number of countries. These developments are particularly significant since corn is the most important feed grain export of the United States.

A substantial part of the world's corn is fed to livestock on farms where grown, and additional quantities are converted into concentrated feed. Only relatively small quantities are ground into flour or meal for human consumption, except in parts of Latin America, Africa, and the Far East. Considerable quantities are also manufactured into such products as glucose, starch, oil, alcohol, and breakfast foods. The world demand for all of these purposes serves to keep corn in top position as the world's most important coarse-grain export.

TABLE 10.--Oats: World production, by area, average 1950-54, annual 1957-59

Area	Average 1950-54	1957	1958	1959 (Preliminary)
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	1,707	1,685	1,829	1,505
Western Europe.....	1,020	875	870	845
Eastern Europe.....	355	390	375	385
U.S.S.R. (Europe and Asia).....	835	800	890	(¹)
Asia.....	110	105	100	95
Africa.....	21	15	14	13
South America.....	67	83	70	75
Oceania.....	45	41	92	71
World total.....	4,160	3,995	4,240	3,700

¹ Not available. Tentative unofficial estimate included in world total.

World production of oats this season is estimated at 3.7 billion bushels, a decline of 13 percent from last year's bumper crop and of 11 percent from the 1950-54 average. This year's low outturn is mainly the result of much smaller harvests in the United States and the Soviet Union, and smaller crops in all Western Europe countries except France, Ireland, Spain, and the United Kingdom. The crop in Eastern Europe was slightly higher than a year ago. The South American crop is also expected to be slightly higher, but the Australian crop is expected to be much below last year's record because of drought.

Until this year, world oats production had shown a steady upward trend since the end of World War II because of increased yields per acre. The total area devoted to the crop has continued to decline. Oats are used primarily as feed for livestock on farms where grown. Comparatively little enters into world trade. However a substantial portion of the world's crop, especially better qualities, is ground into oatmeal or manufactured into rolled oats and breakfast foods for human consumption.

The world's 1959-60 barley crop is estimated at 3,240 million bushels, about 65 million bushels lower than a year ago but still 545 million bushels above the 1950-54 average. The reduction is due mainly to a decline in the North American crop--62 million bushels less in the United States and 16 million bushels less in Canada--and substantial reductions in the Russian, Iraqi, French North African, and Australian crops. In contrast Western Europe had an alltime record crop. The largest increases there were in France, the United Kingdom, and West Germany. A larger crop was harvested also in Eastern Europe.

Barley has two main uses--in livestock feeding and in the malting industry for beer. Consumption as human food is relatively small, but it is used in some countries to supplement supplies of rice and wheat. Feed barley constitutes the greater part of the world's crop. As a feed grain it competes with corn, oats, low-grade wheat, rye, and grain sorghums. Its cost in relation to these grains is a dominant factor in its marketing as a cash crop.

Although grain sorghum is widely used for both food and feed in many countries of the Far East, the Near East, and Africa, statistics on its production are not available, and so an estimate of world production cannot be made.

TABLE 11.--Barley: World production, by area, average 1950-54, annual 1957-1959

Area	Average 1950-54	1957	1958	1959 (Preliminary)
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	519	661	725	646
Western Europe.....	560	775	795	900
Eastern Europe.....	215	265	235	260
U.S.S.R. (Europe and Asia).....	350	400	440	(¹)
Asia.....	805	880	830	815
Africa.....	150	90	140	125
South America.....	63	70	75	75
Oceania.....	34	35	65	39
World total.....	2,695	3,175	3,305	3,240

¹ Not available. Tentative unofficial estimate included in world total.

For the United States, however, supplies available for export are record high for the 1959-60 marketing season (October-September) because of a good crop and a record October 1 carryin. The continued upward trend in U.S. grain sorghums production--as a result of increased acreage and high yields, the latter reflecting increased use of hybrid seed--is bringing with it a special need to develop additional export outlets for U.S. sorghums. This grain is now a close competitor with barley for second place in the Nation's feed grain exports.

World and U.S. Exports in 1958-59.--World feed grain exports, which have been increasing steadily during the past 5 years, reached an estimated alltime record of 21.2 million metric tons in 1958-59 compared with the previous record of 19.2 million tons in 1957-58 and the 1950-54 average of 13.5 million tons. The major part of the increased exports has been from the United States. The U.S. share was over 51 percent in 1958-59, 44 percent in 1957-58, and 34 percent in 1950-54.

In addition to improved economic conditions in importing countries--and thus, improved purchasing power and increased consumption of livestock, dairy, and poultry products--the main reasons for the increase in feed grain exports last year were continued upward trend in foreign livestock numbers; failure of feed grain production in deficit countries to increase as rapidly as demand; improved balance of payments situations in many countries which made it easier for them to cover import requirements; and limited expansion in feed grain production in most deficit countries because of price supports favoring wheat.

Western Europe continued as the most important market. Principal suppliers were the United States, Argentina, and the Union of South Africa for corn; Argentina, Canada, and the United States for oats; the United States, Canada, France, the Middle East, Argentina, and Denmark for barley; and the United States, Argentina, the Sudan, the Union of South Africa, and Australia for grain sorghums.

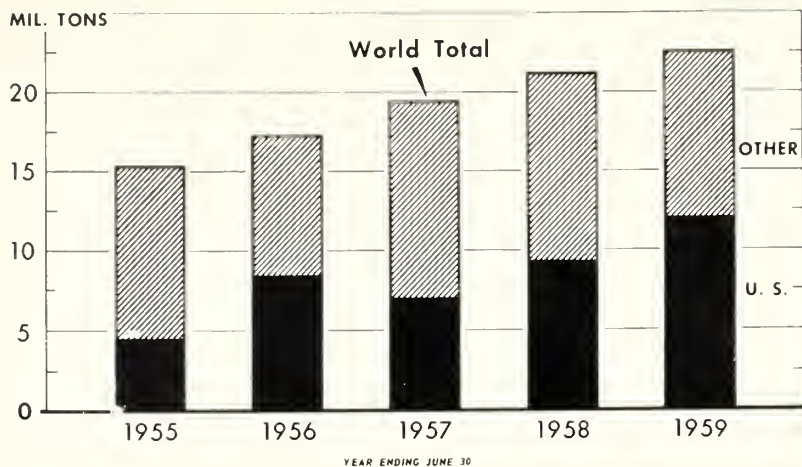
TABLE 12.--Coarse grains: World exports, by principal country, average 1950-54, annual 1955-59

Year beginning July 1	United States	Canada	Australia	Argentina	Others	Total
Average: 1950-54.....	1,000 <i>m. t.</i> 4,539	1,000 <i>m. t.</i> 2,600	1,000 <i>m. t.</i> 659	1,000 <i>m. t.</i> 1,560	1,000 <i>m. t.</i> 4,169	1,000 <i>m. t.</i> 13,527
Annual:						
1955.....	7,686	1,620	720	1,275	4,329	15,630
1956.....	6,373	2,175	775	2,084	6,273	17,680
1957.....	8,438	2,155	500	2,384	5,753	19,230
1958.....	10,901	1,992	1,067	2,791	4,449	21,200

U.S. exports in 1958-59 reached an alltime record of 10.9 million metric tons, over half of the world total. This exceeded the previous record of 8.4 million tons in 1957-58 by almost 14 percent. The increase, due mainly to much larger exports to Europe and a substantial increase in exports to Asia, reflected greatly reduced corn crops in Eastern Europe and smaller oats and barley crops in both Western and Eastern Europe, and of barley in Asia.

All U.S. feed grain exports increased in 1958-59. The largest percentage increase was in grain sorghums. However, corn continued in first place by a wide margin and barley remained in second position. Although only a relatively small part of the total, exports of oats showed a substantial increase.

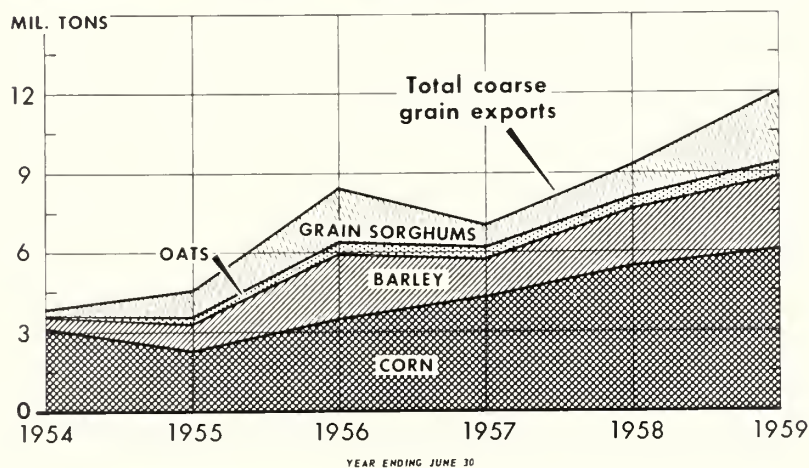
U. S. Feed Grain Exports Set New Record; Over Half World Total



USDA

FAS-NEG. 1961

U. S. Grain Sorghum Exports Up Sharply As All Feed Grain Shipments Rise



USDA

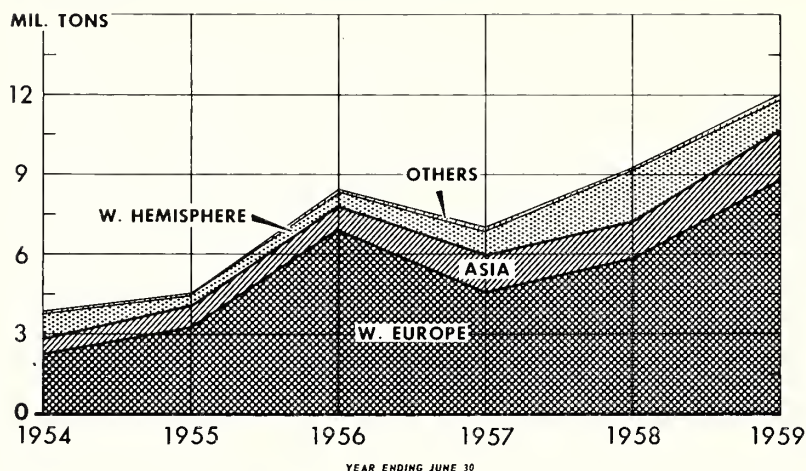
FAS-NEG. 1963

U.S. feed grains were exported in 1958-59 to more than 100 foreign countries. Europe continued as the largest market, total exports to that area showing an increase of more than 50 percent over 1957-58. Exports to Asia, the next most important market, increased by almost 33 percent, but those to Western Hemisphere markets were almost 40 percent lower.

The principal foreign buyers for individual U.S. feed grains in 1958-59 were the United Kingdom, Netherlands, Canada, Japan, Germany, Belgium, and Mexico for corn; Italy, Belgium, and Germany for oats, the Netherlands, Germany, Japan, Belgium, Republic of Korea, and Poland for barley; and the Netherlands, the United Kingdom, Belgium, Denmark, Israel, Germany, India, and Norway for grain sorghums.

World and U.S. Export Prospects.--The continued high level of foreign demand for feed grains is expected to result in another world export record in 1959-60, with a total probably in the neighborhood of 23 million metric tons compared with 21.2 million tons last year. U.S. exports are expected to reach 11.6 million tons compared with 10.9 million a year ago, or 50 percent of the world total.

W. Europe Increasingly Important As Market for U. S. Feed Grains



USDA

FAS-NEG. 1962

The demand this year is especially heavy in the European feed deficit producing area because of serious widespread drought damage to fall pastures and forage and root crops and delayed seeding of winter grain crops. Those countries will either have to increase their feed grain imports substantially in 1959-60 or greatly reduce their livestock numbers. The latter is not likely to occur although livestock marketings will be heavier than a year ago. Because of bumper crops of barley and oats in France and of corn and barley in Yugoslavia, these countries will be called upon to offset a good part of the European feed deficit this year.

TABLE 13.--Feed grain: U. S. exports, by area of destination, 1957-58 and 1958-59

Year and destination	Corn and corn products	Oats and Oatmeal	Barley and malt	Grain sorghums	Total
1957-58:	1,000 <i>m. t.</i>	1,000 <i>m. t.</i>	1,000 <i>m. t.</i>	1,000 <i>m. t.</i>	1,000 <i>m. t.</i>
Western Hemisphere.....	1,548	41	138	59	1,786
Europe.....	2,864	360	1,294	815	5,333
Africa.....	28	1	4	2	35
Asia.....	527	5	562	199	1,293
Oceania.....	--	--	--	--	--
Unspecified ¹	--	--	--	--	--
Total.....	4,967	407	1,998	1,075	8,447
1958-59:					
Western Hemisphere.....	888	36	137	17	1,078
Europe.....	3,776	423	1,854	1,963	8,016
Africa.....	53	--	12	24	89
Asia.....	766	2	546	400	1,714
Oceania.....	--	--	--	--	--
Unspecified ¹	2	2	--	--	4
Total.....	5,485	463	2,549	2,404	10,901

¹ Includes also shipments for relief or charity.

Feed grain production has increased in all major deficit countries in recent years but not fast enough to satisfy rapidly increasing demand. While prospects for the immediate future indicate continued expansion in world import requirements because of increasing livestock numbers, the expansion cannot be expected to continue indefinitely at the rate of recent years. Several European importing countries have already indicated intentions to shift from continued encouragement of a high level of domestic wheat production by means of price supports and other incentives to a higher level of feed grain production by the same methods. This would result in checking the upward trend in demand for imported feed grains.

Foreign Governmental Intervention for Producers

During the past 30 years, foreign governmental policies regarding grain production, trade, and prices have constituted one of the most important single groups of factors affecting the competitive status of U.S. grain and grain products in world markets. Before that tariffs were almost the only method used by governments for restricting imports. Since 1928, a long list of other impediments, generally much more severe than the earlier import duties, have come into extensive use.

Today, either because of a need to reduce imports in order to balance international payments or to maintain desired levels of income for producers, virtually all grain importing countries have policies designed to make themselves more self-sufficient. Such action has forced grain exporting countries, in turn, to adopt compensatory expedients designed to maintain their own balance of international payments, assure export outlets for their surpluses, and preserve the competitive status of their producers in world markets. The net result is that price and quality alone are no longer the outstanding factors in determining the volume of grain entering international trade.

In grain importing countries, the governmental measures adopted include producer price supports; subsidies for such production requisites as fertilizers, machinery, and motor fuels; compulsory utilization of specified percentages of home-grown bread grains in flour milling; subsidies to flour mills, bakers, processors, and consumers to soften the impact of high support prices for home-grown grain; marketing regulations; and import controls through tariffs, country and global quotas, import licensing systems, import taxes or equalization fees, foreign exchange controls, bilateral trade agreements, and government import monopolies.

In exporting countries, they consist mainly of measures to facilitate the sale of surpluses abroad while at the same time assuring producer returns that will not fall below a minimum guaranteed for the entire crop. They include government monopolization of exports; sales on special terms or at favorable exchange rates; barter and other bilateral agreements; producer price supports; and more or less indirect subsidies through arrangements for governments to absorb losses on exports.

The effect of these measures in most grain-importing countries has been more intensive cultivation and increased production, even though their production costs are higher than in exporting areas; increased production of high-yielding varieties, sometimes at the expense of quality, as in the case of wheat; frequent adjustments in milling procedures in accordance with continually changing extraction and incorporation rates; increased technical difficulties in making flour of desired quality; compulsory payment by millers, processors, and feeders of higher prices for home-grown grain than for grain which could have been imported; increased consumer prices for grain and grain products except where protected by subsidies and other measures; and such increases in supplies of relatively low-grade home-grown wheat that governments in several deficit countries had to adopt subsidized diversion to feed use and export.

The area of government intervention has been so widened during the past quarter century that no grain producing country of any importance now remains unaffected. Once actively under way in deficit countries, the cumulative effect of supports and counter-supports, aids and counter-aids, restrictions and counter-restrictions has been widely

felt in the world's grain production, marketing, and price structure. For example, it has meant uneconomic production or overproduction; it has meant high bread prices or consumer subsidies to lower them.

TABLE 14.--Grains: Support prices in specified countries, 1959

Country	Prices in local units ¹						Dollar per bushel equivalents ¹				
	Local units	Wheat	Rye	Corn	Barley	Oats	Wheat	Rye	Corn	Barley	Oats
Argentina.....	Pesos per 100 kg.	300	170	230	182.50	180	.98	.52	.70	.48	.31
Australia.....	S. and d. per bushel	14s. 6d.	--	--	--	--	1.62	--	--	--	--
Austria.....	Schillings per 100 kg.	² 252.58	232.58	--	--	--	² 2.65	2.28	--	--	--
Belgium.....	Belgian francs per 100 kg.	³ 470	--	--	--	--	³ 2.56	--	--	--	--
Brazil.....	Cruzeiros per 60 kg.	550	--	260	--	--	2.49	--	1.10	--	--
Canada.....	Canadian dollars per bu.	1.40	--	--	.96	.60	1.47	--	--	1.01	.63
Chile.....	Pesos per 100 kg.	⁴ 7,302	--	--	--	--	⁴ 1.89	--	--	--	--
Colombia.....	Pesos per carga ⁵	129	--	--	85.50	--	3.59	--	--	2.13	--
Denmark.....	Kroner per 100 kg.	49	47	--	--	--	1.93	1.73	--	--	--
France.....	Francs per 100 kg.	² 3,800	3,040	3,850	3,186	--	² 2.09	1.56	1.98	1.41	--
Germany (West).	Marks per metric ton	438	398	--	⁶ 385	⁷ 312.50	2.86	2.42	--	⁶ 2.01	⁷ 1.09
Greece.....	Drachmas per kg.	3.03	--	--	--	--	2.75	--	--	--	--
India.....	Rupees per maund	⁸ 13-16	--	--	--	--	⁸ 1.98-2.44	--	--	--	--
Ireland.....	S. and d. per barrel ⁹	73s. 6d.	--	--	37s.	--	2.20	--	--	1.11	--
Italy.....	Lire per 100 kg.	² 6,450	--	--	--	--	² 2.83	--	--	--	--
Japan.....	Yen per 60 kg.	2,206	--	--	¹⁰ 2,168.7	--	2.78	--	--	¹⁰ 2.19	--
Mexico.....	Pesos per metric ton	¹¹ 913	--	800	--	--	¹¹ 1.99	--	1.63	--	--
Morocco.....	Francs per 100 kg.	² 3,300	--	--	¹ 1,750	--	² 2.14	--	--	.91	--
Netherlands.....	Guilders per 100 kg.	30.95	27.25	--	¹² 28.10	¹² 26.50	2.23	1.83	--	¹² 1.62	¹² 1.02
New Zealand....	S. and d. per bushel	¹³ 14s. 1/4 d.	--	--	--	--	¹³ 1.94	--	--	--	--
Norway.....	Kroner per 100 kg.	90	83	--	70	61.00	3.43	2.95	--	2.13	1.24
Pakistan.....	Rupees per maund	12.50	--	--	--	--	1.91	--	--	--	--
Portugal.....	Escudos per kg.	3	2.4	2.2	1.80	--	2.85	2.13	1.95	1.37	--
Sweden.....	Kroner per 100 kg.	44	40	--	--	--	2.31	1.96	--	--	--
Spain.....	Pesetas per kg.	¹⁴ 5.96	3.65	3.5	3.40	3.00	¹⁴ 2.69	1.54	1.48	1.23	.72
Switzerland....	Swiss francs per 100 kg.	¹⁴ 65.40	57	--	--	--	¹⁴ 4.10	3.33	--	--	--
Tunisia.....	Dinars per 100 kg.	² 3.45	--	--	2	--	² 2.23	--	--	1.04	--
Turkey.....	Kurus per kg.	² 50	42	--	36	36	² 1.51	1.19	--	.87	.58
Union of South Africa ¹⁵	S. & d. per 200 lb. bag	49s. 11d.	--	29s. 10d.	--	--	2.09	--	1.16	--	--
United Kingdom.	S. & d. per cwt. (112 lbs.)	27s. 7d.	21s. 7d.	--	29s. 0d.	27s. 5d.	2.06	1.51	--	1.74	1.09
United States..	U. S. dollars per bushel	1.81	.90	1.12	.77	.50	1.81	.90	1.12	.77	.50
Uruguay.....	Pesos per 100 kg.	4 40	--	--	--	--	⁴ 2.65	--	--	--	--
Yugoslavia.....	Dinars per kg.	36	33	31	31	31	1.55	1.33	1.25	1.07	.71

¹ Fixed or average guaranteed base prices for standard grades. The f.o.b. points vary. Some prices are subject to one or more deductions. Others are gradually increased by specified amounts during a designated period after harvest to offset farm storage costs. ² For soft wheat. A higher price was designated for durum or hard wheat. ³ "Directional" price. ⁴ Tentative. ⁵ 1 carga wheat = 140 kg., one carga barley = 125 kg. ⁶ Average for 3 kinds. ⁷ Average for 2 kinds. ⁸ Effective only in the 4 principal wheat producing states. ⁹ One barrel wheat = 280 pounds; 1 barrel barley = 224 pounds. The price for barley is for feed barley. ¹⁰ Average for common and naked barley. ¹¹ In the State of Lower California the price is 1005 pesos per metric ton (\$2.19 per bushel). ¹² Average of prices for clay and sandy soils. ¹³ Average for the South Island and the North Island. ¹⁴ Average for 4 grades or types. ¹⁵ The price of wheat is the average for 6 grades of each of 4 classes.

DRY BEANS AND PEAS

There will be a good export demand for U.S. dry beans in 1959-60 because of a short crop in several Western European importing countries, below-normal crops in Danube Basin exporting countries, expanding demand in Western Europe and Latin America, and liberalization of trade barriers in the sizable French market.

Also, the export demand for U.S. dry peas will remain very good, but exports are not likely to be as high as a year ago because of better though still subnormal crops in some European importing countries.

Beans

World Production.--Preliminary estimates indicate that the aggregate 1959 bean crop in 28 reporting countries is at least 5 percent below last year. A reduction of 20 percent in Brazil and of 3 percent in the United States, which together annually produce two-fifths of the world's total, accounts for most of the decline.

There were reductions also in several of the smaller producing countries, such as 33 percent in Chile, 10 percent in Canada, 23 percent in France, 17 percent in West Germany, and 3 percent in Japan. While large percentage-wise, the latter reductions were small in quantity compared with the 6-million-bag loss in Brazil. Partly offsetting these reductions were increases of 5 percent in Mexico, 15 percent in Cuba, 17 percent in Greece, 9 percent in Turkey, 4 percent in Portugal, and 7 percent in Spain.

TABLE 15.--Dry, edible beans: Acreage and production, by area in 28 reporting countries, average 1950-54, annual 1957-59

Area	Acreage				Production			
	Average 1950-54	1957	1958	1959	Average 1950-54	1957	1958	1959
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bags ¹	1,000 bags ¹	1,000 bags ¹	1,000 bags ¹
North America.....	4,647	5,375	5,609	5,688	25,637	26,071	32,608	32,540
Europe.....	3,359	3,148	3,077	3,094	11,834	14,702	13,696	15,816
Asia.....	382	493	674	645	3,677	5,077	5,934	6,051
South America.....	5,257	6,323	5,688	5,687	32,269	38,953	36,110	29,495
Total.....	13,645	15,339	15,048	15,114	73,417	84,803	88,348	83,902

¹ Bags of 100 pounds.

World Trade Prospects.--The 1959 production shifts will significantly affect international trade in 1960 because most of the reductions (excluding Brazil) occurred in areas that are important in trade. These are Eastern Europe, Canada, Japan, and Chile as exporters, and France as a major importer. In the 3 years ending with 1958, Western Europe, the world's largest white bean importing market, imported an average of 2.7 million bags annually. Around 35 percent came from Eastern Europe, 25 percent from the United States, 12 percent from Chile, 3 percent from Canada, 2 percent from Japan, and 20 percent from Africa.

While the total 1959 U.S. crop was down, white bean production was at an alltime high. With white bean supplies long in the United States and short in competing exporting areas, the U.S. proportion of the world's white bean trade should increase considerably in 1960. White beans go principally to Western Europe and colored beans to Latin America.

Latin America and West Europe took 90 percent of U.S. exports last year. Per capita consumption and demand are expanding in some of these markets. Mexico and Cuba together need 300,000 bags additional each year to maintain current consumption levels for their expanding populations. Principal reasons for the increased consumption in Latin America and West Europe are improved consumer buying power, increased canning of beans, sales promotion conducted by the canning industry, and increasing employment of housewives who find canned beans a welcome convenience.

The United Kingdom in the year ending August 31, 1959, imported a total of 1.4 million bags compared with 950,000 in 1957-58, and almost 2 million bags in each of the 2 preceding years. France normally imports 300,000 bags a year, but with this year's short crop imports needed to provide normal consumption requirements should be near 800,000 bags. France recently removed long-standing import restrictions against U.S. beans and, in keeping with commitments to the newly established Common Market, has lowered import duties 10 percent from the former level of 18 percent ad valorem. France began buying beans in the U.S. market late in 1959.

Peas

The 1959 production of dry peas in 20 reporting countries is tentatively estimated at 13.3 million bags of 100 pounds each compared with 11.0 million bags in 1958. This estimate includes most of the important producing countries outside of the Orient. The

increase is due to larger outturns in the United States, the United Kingdom, and the Netherlands, which normally produce more than half of the peas grown in the free Western World. There are no reports from India and Communist China, where 90 percent of the world's crop is produced.

While the crop is up from last year, it is still below normal in the three largest importing countries, namely, the United Kingdom, Germany and France. It was also below normal in Canada, a substantial exporter.

Because of below-normal crops in leading European deficit countries, there will be a continued good export demand for U.S. dry peas in 1960. But the demand will not be large enough to exhaust the country's large exportable supply. U.S. exports in 1960 are not likely to be much in excess of 1.0 million bags compared with the alltime record of 1.5 million bags in 1959. But even at the reduced level, they would still be almost 300,000 bags above the 1950-54 average.

TABLE 16.--Dry, edible peas: Acreage and production, by area in 20 reporting countries, average 1950-54, annual 1957-59

Area	Acreage				Production			
	Average 1950-54	1957	1958	1959	Average 1950-54	1957	1958	1959
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bags ¹	1,000 bags ¹	1,000 bags ¹	1,000 bags ¹
North America.....	301	357	275	353	3,589	4,166	3,315	4,897
Europe.....	590	564	559	525	7,847	8,902	6,207	6,791
Asia.....	29	40	33	35	291	395	360	430
South America.....	97	78	105	141	852	542	570	578
Africa.....	168	105	139	152	876	372	553	621
Total.....	1,185	1,144	1,111	1,206	13,455	14,377	11,005	13,317

¹ Bags of 100 pounds.

SEEDS

Despite unfavorable conditions during the growing and harvesting periods in several important producing countries, world supplies of grass and legume seeds appear to be adequate for 1959-60 requirements. U.S. exports of grass and legume seeds, which usually account for about 65 percent of the value of the Nation's total seed exports, are expected to continue in 1959-60 at approximately the 1958-59 level of 38.6 million pounds.

The 1959-60 supply situation in Canada, which is both an important importer and exporter of seeds, is perhaps the most uncertain element in the world's 1959-60 seed market situation. Heavy snowfall over much of the Prairie Provinces early in October left 50 to 75 percent of the legume seed crop unharvested. What percentage was subsequently harvested is unknown. Canada is by far the best market for U.S. grass and legume seeds. Current indications are that Canada will require somewhat larger imports of alfalfa and clover seeds this year. On the other hand, the country harvested a larger grass seed crop, with the exception of creeping red fescue. As a result, its 1959-60 import requirements for grass seed should be smaller than a year ago.

In West Germany, the second best market for U.S. seeds, prolonged drought during the past summer drastically cut yields of most grasses. Total production, however, was

only slightly lower than a year ago because of expanded acreage. That country, therefore, will probably import about the same quantity of grass seed in 1959-60 as in 1958-59. The government recently refused to issue tenders for U.S. perennial ryegrass seed on the grounds that trials indicated such seed to be more subject to winter kill and less leafy than seed imported from the United Kingdom and Scandinavian countries. Tenders for imports of U.S. timothy seed are expected to be issued early in 1960. Although West Germany's production of clover and alfalfa seeds was above average, large imports will still be required since domestic production is relatively small in relation to total requirements.

In Denmark, an important seed exporter, the 1959 crop of legume seed was reported to be twice that of 1958. Production of grass seeds was appreciably larger for some types but much smaller for others. Grass and legume seed carryover on June 30, 1959, was about 43 percent under that for the same date in 1958. Drought in the summer of 1959 caused considerable damage to seed crops planted for harvest in 1960. This will probably result in reduced export availabilities during the current marketing season.

France reports an exceptionally good crop of alfalfa this year but only about average production of other legume and grass seeds. That country will be in the market for usual quantities of U.S. grass seeds in 1959-60 but it will be a strong competitor in the European alfalfa and red clover market.

Drought is believed to have cut grass and legume seed crops in the United Kingdom but extent of the damage is unknown. Carryin stocks of the principal grass and legume seeds were reported to be about the same as a year ago. The belief is that the United Kingdom will be a large importer of such seeds in 1959-60.

TABLE 17.--Seeds: U.S. exports, quantity and value, average 1946-55, annual 1956-58

Year beginning July 1	Grass & legume	Other field	Seed corn	Vegetable	Sugar beet	Flower	Total
	Quantity						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average:							
1946-50.....	21,099	8,852	¹ 22,605	6,962	4,728	219	59,884
1951-55.....	25,833	16,738	19,398	3,786	652	181	66,588
Annual:							
1956.....	42,974	11,238	21,484	4,568	723	250	81,237
1957.....	45,927	15,846	18,592	4,996	271	214	85,846
1958.....	38,603	10,112	13,014	3,943	473	319	66,464
	Value						
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Average:							
1946-50.....	5,802	921	¹ 1,709	3,928	1,316	359	13,351
1951-55.....	6,930	658	1,553	2,775	120	452	12,456
Annual:							
1956.....	13,476	913	1,755	3,494	186	560	20,384
1957.....	11,372	782	1,624	3,040	56	605	17,499
1958.....	9,998	749	1,697	3,230	97	650	16,421

U. S. Bureau of the Census.

¹ 3-year average.

Government-sponsored programs in most Latin American countries for improvement of forage resources are expected to result in larger imports of U.S. grass and legume seeds in that area in 1959-60. Preliminary estimates from Chile, one of the leading producing areas, indicate that imports and exports will about balance each other.

Japan imports practically all of its requirements of grass and legume seeds from the United States. Imports have been expanding in recent years and are expected to continue upward in 1959-60. Reports from Australia indicate that subterranean clover seed production was down from a year ago but that production of alfalfa seed was considerably larger.

HOPS

Current indications are that the world's 1959-60 hops crop will total approximately 179.1 million pounds, about the same as last year's estimated record of 179.2 million. This is a preliminary estimate and is subject to change after more complete information becomes available, especially for production in Czechoslovakia, Poland, the Soviet Union, and the Southern Hemisphere countries. Crops in the latter area will not be harvested until March-April 1960. The continued high level of production is the result mainly of larger crops in the United States, West Germany, France, Yugoslavia, and Japan. This largely offset reductions in a few other areas.

The quality of the crop in virtually all European producing areas is reported as good because of the dry, warm summer which favored the maturing process. Because of the large crops in Germany and Yugoslavia, these countries will have substantially larger export availabilities this year. This is of special significance to producing and trading interests in the United States since this country is the world's largest producer and exporter.

TABLE 18.--Hops: World production, average 1950-54, annual 1957-59

Country	1950-54	1957	1958	1959 ¹
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
United States.....	53,627	40,135	48,407	53,600
Canada.....	1,918	1,201	1,435	1,455
United Kingdom.....	33,400	29,979	33,896	24,954
Czechoslovakia.....	10,976	² 10,628	² 14,440	² 14,000
Germany, West.....	28,749	32,215	38,473	40,785
Germany, East.....	(³)	² 1,543	² 2,205	² 1,874
France.....	4,442	3,593	4,938	5,456
Belgium.....	2,324	2,616	² 3,752	² 3,400
Spain.....	367	750	797	800
Poland.....	(³)	² 3,183	² 2,998	² 3,100
Yugoslavia.....	2,874	5,842	6,724	9,855
U.S.S.R.....	(³)	² 8,818	² 13,000	² 11,000
Other Europe.....	(³)	143	183	² 250
Japan.....	1,235	1,837	2,151	2,767
Mexico.....	(³)	(³)	66	² 130
Australia.....	3,066	3,695	4,106	² 3,800
New Zealand.....	1,002	885	1,090	² 1,100
Union of South Africa.....	296	154	² 252	² 300
Argentina.....	149	245	320	² 450
Total.....	144,425	147,462	179,233	179,076

¹ Preliminary. ² Trade estimate. ³ Not available.

Although now beginning to show an upward trend, hops prices at the beginning of the current marketing season (September 1) were at their lowest level in several years-- below the cost of production in several countries. In U.S. dollars per centner of 50 kilograms (110 pounds), prices at the farm in September-October 1959 with comparisons for the same period in 1958 shown in parentheses follow: Germany, 47.96 (143.88); Belgium, 51.97 (69.96); France, 70.28 (171.12); Yugoslavia (export price), 50.00 (125.00) and United States, 22.00 (55.00).

World beer production and consumption have been increasing. Production in 1959 is tentatively estimated at 328 million barrels. By 1960 it probably will exceed 330 million barrels. However, largely because of more efficient methods of extracting lupulin from hops and some changes in consumer tastes, the amount of hops used per barrel of beer has been declining. For the world as a whole it probably does not exceed 0.45 pound per barrel. In the United States it now amounts to 0.34 pound.

On the basis of an estimated world production of 330 million barrels of beer and an average world utilization of 0.45 pound of hops per barrel, the world's actual brewery consumption of hops in 1960 would total about 149 million pounds. This, however, does not allow for reserves. Information on stocks held by breweries is not available, but it is known that small breweries in many countries continue to operate on a hand-to-mouth basis and a majority of the large ones either maintain or would like to maintain sufficient reserves to cover at least 4 to 6 month's requirements over current operating needs. Because of high prices and trade impediments (foreign exchange regulations, import licensing systems, etc.), this has not been possible in many countries in recent years.

However, indications are that breweries in a number of countries are taking advantage of currently low prices for high-quality hops to build up their reserves. Whether reserves will be built up sufficiently in 1959-60 to cover anything approaching 4 to 6 month's future requirements cannot be predicted. But should breweries find it advisable to do so, many more millions of pounds of hops would be purchased than the estimated 149 million pounds required for producing 330 million barrels of beer. On that basis, this year's large world hops crop would not appear to be excessive.

In 1958-59, U. S. exports exceeded 18.4 million pounds, an alltime record. The previous record was 16.9 million in 1957-58. Most U.S. exports go to Western Hemisphere and West European markets, where they come in competition with German,

TABLE 19.--Hops: U. S. exports, averages 1946-50 and 1951-55, annual 1955-56-1958-59¹

Destination	Average		1955-56	1956-57	1957-58	1958-59 ²
	1946-50	1951-55				
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
North America....	4,608,701	4,835,693	4,150,744	4,826,872	5,053,158	5,102,322
Central America..	174,695	252,688	217,214	231,960	294,916	282,556
Caribbean.....	417,671	328,801	361,360	286,221	370,438	497,656
South America....	4,331,555	4,300,460	2,868,257	3,931,289	5,180,671	6,661,399
Europe.....	1,675,366	2,120,015	1,360,481	5,512,543	5,099,722	5,143,676
Africa.....	442,002	302,938	650,094	691,355	603,357	299,745
Asia.....	380,494	623,995	295,455	531,229	316,521	452,659
Oceania.....	718,605	143,138	259,998	--	552	881
Unspecified.....	--	--	--	--	--	4,300
Total.....	12,749,089	12,907,728	10,163,603	16,011,469	16,917,335	18,445,194

¹ Marketing year beginning September 1.

² Preliminary.

Yugoslav, and Czechoslovak hops. Despite greatly increased export availabilities in Germany and Yugoslavia and continued large export supplies in Czechoslovakia, there is no reason to assume that U.S. exports in 1959-60 (September-August) will be much lower than last season. Exports of at least 16 million to 17 million pounds would seem to be a reasonable estimate at this time.

Supporting this opinion are such factors as a continued upward trend in world beer consumption, improvement in consumer purchasing power in many countries as a result of continued upward trends in per capita incomes, probability that many breweries will build up working stocks, availability of abundant supplies of high-grade hops in the United States at favorable prices, substantial shipments to be made by U.S. exporters on forward contracts, increasing appreciation by breweries in many countries of the value of U.S. hops in making lighter beers, the demand for which is increasing, and reduced export availabilities in the United Kingdom and Belgium.

DEVELOPMENTS IN BUILDING FOREIGN MARKETS

During the year, government and industry continued their efforts--individually and cooperatively--to improve and expand foreign markets for these several commodities.

Cooperating industry groups were the Great Plains Wheat Market Development Association, the Western Wheat Associates, U.S.A., Inc.; Millers' National Federation; Grain Sorghum Producers Association, Amarillo, Texas; United States Rice Export Development Association; Oregon Seed Council; and the Pacific Seed Export Market Institute.

Wheat.--Outstanding among the problems facing the marketing of U.S. wheat and wheat products abroad are the need for determining the best approach to promotional activities in areas that are not now heavy consumers of wheat; servicing of the trade in established conventional markets; and assuring delivery to foreign customers of the types and qualities of wheat that will meet their particular needs.

Most of the foreign market development activities of the FAS grain marketing specialists in 1958-59 were carried out jointly with representatives from commodity groups and technicians from other USDA agencies. One of these was in Africa, where the FAS wheat marketing specialist and a representative of the Great Plains Wheat Marketing Development Association made a preliminary study in most of the countries, to observe present uses of wheat and wheat products and the potentialities for markets in the future. This survey indicated that there were important markets to be developed in Africa but that considerable work would be necessary in their development.

A marketing specialist and cereal technologist made several studies during the year in other areas. In one they worked with a group on a quality survey of U.S. wheat arriving in Japan, India, and Pakistan. A sampling and testing program was arranged for U.S. wheat received in India. This same group also covered selected points in northern European markets and arranged for sampling of U.S. wheat and for evaluation in selected European laboratories.

In another study, they worked with government and trade personnel in principal points of Europe and North Africa, determining the types of U.S. wheat that meet the requirements of individual situations and providing information to facilitate procurement from the United States. A similar study was made in South America, Central America, and the Caribbean area. A later one was made in Western Europe by a cereal technologist accompanied by the Director of the Grain Division, AMS, to consider possible adjustments in the U.S. marketing system to improve the competitive position of U.S. wheats in those markets.



Rolls from U.S. enriched flour are part of lunch for these Colombian school girls. Wheat promotion programs were stepped up in Colombia last year.

television programs, chain store exhibits, and other advertising media. Such activities are being conducted in cooperation with local miller, baker, and pasta groups. The Federation has also continued its sponsorship of research activities in Guatemala on certain flour additives to supply a nutritional need in supplementing diets in underdeveloped countries.

Western Wheat Associates U.S.A., Inc. is continuing its demonstration bus and school lunch projects in Japan. It is conducting its second bakers' school and has a new project for the display of noodles and hot cakes in Japanese department stores.

Western Wheat Associates, U.S.A., Inc. and the Great Plains Wheat Market Development Association operate a bakers' school in Bombay, India, and have cooperated with the Indian Flour Millers' Federation in the production of an educational film and in a display at the New Delhi Fair. In addition, they have assigned a milling technologist to India to assist in the development of the industry and have established an office in Karachi, Pakistan, preparatory to a more active program in that country.

The Great Plains Wheat Market Development Association has opened an office in Lima, Peru, as a center for promotional efforts in South America. A wheat sampling and testing program covering several Latin American Countries has been inaugurated by this office. The Great Plains Wheat Market Development Association this year opened an office in Rotterdam, the Netherlands, to service the European market. They are now staffed to work with millers, bakers, importers, and government officials on European requirements for U.S. wheat.

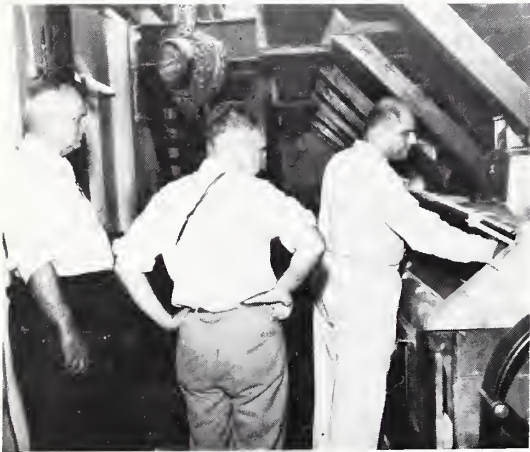
In 1959-60 and the future, wheat market development activities will largely be an extension of the established programs. In Europe and Japan, efforts will be directed

Also during the year, key personnel concerned with wheat were brought to the United States from West Germany, Belgium, the Netherlands, Peru, and Pakistan to study marketing practices under the direction of growers' groups and the FAS. The information obtained as a result of these projects, by both the trade representatives from foreign countries and the U.S. trade, is considered to be of the highest importance in the field of market development.

The FAS marketing specialists have had an important role in exhibiting U.S. wheats this past year at trade fairs in England, Italy, Austria, West Germany, and Peru. An increasingly important marketing activity has been production and distribution of motion pictures promoting wheat consumption. They are now being distributed around the world in cooperation with the Millers' National Federation and the Great Plains Wheat Market Development Association.

The marketing organizations of U.S. wheat growers are conducting other extensive activities under P.L. 480 market development funds. They have developed and presented exhibits of wheat and wheat products at trade fairs in Sao Paulo, Izmir, Zagreb, Vienna, Munich, Lausanne, Calcutta, Madras, and New Delhi.

The Millers National Federation has expanded and intensified its efforts to promote consumer interest in Colombia, using radio and



Quality studies on U.S. wheat. At top, Arthur Cummings of FAS, U.S. attaché Frank Ehman, and M. C. McCormick of Great Plains Wheat Market Development Association check quality of U.S. wheat stored in the open outside Cairo, Egypt. This was last stop on nine-country survey in Africa to evaluate market potential for U.S. wheat. At bottom, Mr. Cummings and Dr. Zeleny of AMS inspect Asia's oldest operating wheat mill in Karachi, Pakistan.

and checking them against U.S. Official Rice Grade Standards for physical characteristics. The samples have also been analyzed for their internal and chemical characteristics. This will provide for the first time a direct method of determining the relative position of U.S. rice varieties and grades throughout the world on the basis of (1) consumer preference, (2) cooking qualities, (3) nutritional characteristics, (4) quality factors, and (5) market price relationships.

During 1958-59, rice exhibits were displayed at international fairs at London, Lausanne, and Cologne. The U.S. rice trade has indicated that such exhibits have given material help in the marketing of U.S. rice in Europe. In the past year, imports for the area increased from about 200,000 hundredweight to over 2 million and the international exhibits were an important factor. Other rice trade promotional activities include (1) preparation of reports of foreign supply and demand conditions for dissemination to U.S. rice producing and trading interests, (2) periodic preparation of reports on the U.S. rice

toward meeting specific demands with particular types of U.S. wheats. In India, Pakistan, and Southeast Asia the emphasis will be on making wheat foods more acceptable in improved diets.

Plans are in progress for placing six demonstration buses in operation in India in a project similar to one so successfully being conducted in Japan. Trained nutritionists will teach people to prepare balanced diets which include wheat foods.

In the other regions of the world, market development will represent various combinations of these methods in order to expedite movement of U.S. wheat to all possible markets, and promote a broader base of wheat usage within national diets.

Rice.--The U.S. Rice Export Development Corporation completed a European rice marketing survey in 1959. A four-man team visited Spain, Italy, Greece, Switzerland, France, West Germany, the Netherlands, Belgium, Sweden, and the United Kingdom. The survey covered production, trade, import requirements, processing, and marketing structures of the various countries. The mission reported an active and growing rice market and a considerable interest in U.S. trade in rice.

Early in 1960, the U.S. Rice Export Development Corporation in cooperation with the FAS will launch a 2-year rice promotion program in Western Germany, Switzerland, the Netherlands, and Belgium. This project will be primarily one of increasing the consumption of rice in Europe as a whole. In the second year of operation it is planned to add other countries to the list.

The 2-year international rice grading and quality analysis project sponsored by FAS was completed in 1959. Results are now being tabulated and prepared for publication. This project entailed collection of an extensive series of samples of rice moving into international trade



Director of FAS Grain Division, Raymond Vickery, and Deputy Administrator Raymond Ioanes with Gordon Boals of Millers' National Federation (right) look at film for one of the three wheat-promotion movies produced in 1959.



Rotterdam office of Great Plains Wheat Growers was opened in January 1959 with reception for government and trade officials. Office provides wheat interests in 11 countries with information on quality and availability of U.S. wheats and carries out other market development activities.

situation for use by U.S. agricultural attachés, and (3) attendance at many meetings of U.S. rice producing, milling, and trader groups and local rice cooperative associations for discussion of U.S. rice export potentials.

Feed Grains.--The foreign demand for feed grains has been increasing rapidly in recent years. Prospects are that it will continue to grow in the year immediately ahead. The United States now accounts for more than half of the feed grains entering world trade. Because of the increased demand, special attention is being devoted by FAS and U.S. feed grain producer groups during 1959-60 on steps that can be taken not only to assure maintenance but also further increase in the U.S. share.

Fully 74 percent of the 10.9 million tons of feed grains exported by the United States in 1958-59 went to European countries. However, exports to that area face a variety of

barriers which keep them at a lower level than would otherwise be the case. A survey made late in 1959 in five major European feed grain importing countries revealed that the principal impediments there revolve around price supports for indigenous feed grains, price equalization fees, special taxes on imported feed grains, and import quotas and licensing systems.

In addition to price supports for home-grown oats and barley, the United Kingdom, for example, has a 10-percent ad valorem duty on grain sorghums from other than Commonwealth countries. Belgium levies special taxes on imported feed grains in order to increase prices to a level that will encourage expansion in domestic production. The Netherlands levies an equalization fee on imported feed grains so as to maintain prices for imported feed grains at approximately the levels fixed for home-grown grain. West Germany maintains a price equalization system for imported and home-grown feed grains and controls imports by quotas. Italy limits imports from dollar countries by a licensing system.

Because of their unfavorable impact on the competitive status of U.S. feed grains in these and other world markets, the FAS is exerting every effort toward gaining some measure of liberalization in foreign government feed grain import policies.

In addition, a marketing specialist participated during 1958-59 in presenting exhibits of U.S. feed grain at trade fairs in Greece, Italy, and Germany.

The Grain Sorghums Producers Association in cooperation with the FAS has started a market development program in Europe. Efforts will be directed toward the dissemination of information on animal nutrition and livestock management and the relaxation of restrictions affecting feed grain imports. The Association has opened an office in Rome from which trade promotional activities in Italy and several other countries will be carried on. Recently, the Association also started an educational and demonstration project in cooperation with the American Farm School in Salonika, Greece. It also participated in feed grain displays at trade fairs in Italy, Greece, and Peru.

Market development activities for feed grains will be expanded considerably in the coming year. It is anticipated that a survey of market potentials in Central and South America will be made by FAS and cooperating growers' personnel. Further progress is being made in obtaining U.S. industry participation in such activities. It now appears that grain sorghums producers, corn producers, and producers of other feed grains as well as related industry groups may join in forming a national feed market development organization. Overseas work of such a group would be closely coordinated with similar activities of other grain, livestock and poultry groups.

Beans and Peas.--A survey of market potentialities for U.S. dry beans and peas in Far Eastern countries revealed that Japan and the Philippines are interested in stepping up imports of these commodities. Japan has imported U.S. beans and peas intermittently in recent years, and the Philippine Republic has been a regular customer for small amounts.

In other markets of the Far East--Malaya, Thailand, Burma, India, and Pakistan--trade possibilities seem negligible unless radical changes take place in the long-established dietary habits or it is found that kidney-shaped beans (*Phaseolus vulgaris*), which make up the bulk of U.S. production and exports, will process well under prevailing Far Eastern methods.

More than 13 million metric tons of pulses are produced annually in the countries visited, 13 times as much as in the United States. But the varieties are different. Seven million tons of the pulses grown are gram (garbanzos), a very minor crop in the U.S. Two million tons are pigeon peas, which the U.S. does not produce at all. Their third largest crop is yellow peas--around 625,000 tons annually. Of the 15 kinds of pulses recognized commercially in these Far Eastern countries, only 6 are grown commercially for food in the United States. These are *Valgaris* beans, lima beans, mung beans, peas, lentils, and garbanzos.

Japan produces 150,000 tons of pulses a year and imports 67,000 tons. Imports consist mainly of broad beans, lima beans, mung beans, adzukis, and peas, mostly from Burma and Communist China. An embargo against imports from Communist China has eliminated a normal source for about 40,000 tons of pulse imports annually. While this embargo is maintained, Japan must obtain nearly 60 percent of its pulse imports elsewhere, or increase domestic production, or cut down on consumption. Japanese importers are interested in importing *Vulgaris* beans from the United States. Experiment with various classes of U.S. beans are being planned to determine their adaptability to Japanese processing methods. The proposal to try processing U.S. pulses, especially *Vulgaris* beans, deserves immediate consideration by U.S. producers and exporters.

The Philippine Republic produces about 28,000 tons of pulses annually and imports about 2,000 tons. The government considers pulses a nonessential commodity and prohibits imports except for processing. *Vulgaris* beans constitute half of the imports and the U.S. supplies about 50 percent. Cannery, sprouter, and makers of vermicelli must import beans because the country does not produce qualities needed for those purposes. Even though canning of beans and peas is a relatively small operation, it shows promise of growth as evidenced by recent establishment of new and expansion of old facilities. U.S. producers and exporters of beans might well consider ways of promoting the development of the canning industry in the Philippines.

Seeds.--A survey of potentialities for marketing U.S. seeds in Africa revealed that while farmers and seedsmen in those countries were interested in seed imports, government regulations in most instances practically exclude them. South Africa is appreciating more and more the value of alfalfa, and could use more improved varieties of U.S. alfalfa. Small lots for experimental purposes have been sent to Kenya and Southern Rhodesia. It is hoped that as a result of representations to government officials and tests now being made of U.S. seeds, the market for U.S. seeds will be gradually expanded in this area.



Under Secretary of Agriculture Clarence Miller (front, center) and FAS Marketing Specialist Wilbur Youngman (left, back) with four top West German seed men, here to study U.S. industry. Germany is No. 2 market for U.S. seeds.

The South African area has been the source of some important plant materials now grown in the United States. The United States still imports a sizable quantity of seed from that area, including Rhodes grass, Dallis grass, weeping lovegrass, and lupine seeds.

A survey conducted in Venezuela led to the conclusion that a number of U.S. forage crop seeds would be suitable for use in various sections of the country. However, it was apparent that a program of soil improvement must precede any attempt to introduce forage crop seeds other than for testing purposes.

U.S. forage seeds are being tested in many different parts of the world. Arrangements are being made for appraisals of these tests by trained technicians. It seems reasonable to expect a gradual increase in demand for U.S. seeds as a result of these trials.

A four-member German seed team was brought to the United States in August 1959, under a cooperative project with the Pacific Seed Export Market Institute (representing 18 companies in California) and the Oregon Seed Council (representing growers, dealers, and public officials). The team spent 2 weeks in an intensive inspection trip through the seed-producing areas of California and Oregon. They were most favorably impressed with the high standards maintained in growing, processing, and marketing U.S. field seeds. They were also high in their praise of California certification standards and procedures. As a result, it is anticipated that arrangements will be made for increased production under contract of certified seed of German alfalfa varieties in California.

Arrangements are being made to send teams including technical experts to Europe and the Far East during the coming year. These teams will investigate results of various trials with U.S. seeds, particularly in Germany and Japan, and will arrange for additional trials. Other seed trade promotional activities include keeping the agricultural attaché informed of prices of U.S. grass and legume seeds through monthly wholesale price releases, distribution of seed samples for trials in many foreign countries, and servicing requests for information on seeds and the seed situation from the trade, government agencies, and individuals in this and other countries.

Trade Fairs.--Trade promotional activities by means of special exhibits at international trade fairs were continued during the year. Through such participation, FAS and cooperating U.S. trade, agricultural, and industry groups have been able to bring to many million of people in foreign countries the merits of U.S. grain and grain products, U.S. production, grading, and marketing procedures, and methods of utilizing these products for food and feed. Exhibit materials prepared for such fairs during 1958-59 and the first half of 1959-60 were shown at the following:

<u>Place</u>	<u>Dates</u>	<u>Exhibits</u>
<u>1958</u>		
San Paulo, Brazil	July 5 - August 3	Wheat, poultry feeds, and bread and cake demonstrations
Izmir, Turkey	Sept. 9-14	Wheat, rice and corn
Zagreb, Yugoslavia	Sept. 9-14	Wheat and feed grains
Vienna, Austria	Sept. 9-14	Wheat
Bari, Italy	Sept. 7-28	Feed grains
Munich, Germany	Sept. 25 - Oct. 5	Wheat, rice, cake mixes and kitchen demonstrations
<u>1959</u>		
Verona, Italy	March 8-16	Feed grains
Calcutta, India	March 15 - April 15	Wheat
Bologna, Italy	May 8-22	Feed grains
Poznan, Poland	June 7-21	Feed grains



Versatility of U.S. rice demonstrated at Cologne fair, Germany. Other grains and grain products were shown at international trade fairs in ten countries during the past year.

<u>Place</u>	<u>Dates</u>	<u>Exhibits</u>
<u>1959--Cont.</u>		
Lausanne, Switzerland	June 13-28	Wheat and rice
Trieste, Italy	June 21 - July 5	Feed grains
Madras, India	Sept. 1-30	Wheat
Salonika, Greece	Sept. 1-22	Feed grains
Cremona, Italy	Sept. 12-21	Feed grains
Cologne, Germany	Sept. 26-Oct. 4	Feed grains and wheat
Foggia, Italy	Nov. 23-30	Feed grains
New Delhi, India	Dec. 11 - Feb. 2, 1960	Wheat

OVERCOMING DOLLAR SHORTAGES

When Congress 5 years ago enacted Public Law 480, it was trying to meet two problems with one piece of legislation. One was how to move the big surpluses of wheat and other grains the United States had accumulated. The other was how to sell to many foreign countries that needed U. S. commodities but did not have the gold reserves to pay for them. Under that program, countries short of dollars can arrange to pay for U.S. grain and grain products in their own currencies with the U.S. Government taking over the currencies and paying off U.S. exporters in dollars.

While dollar sales continue to receive primary emphasis, they constituted only 31 percent of the wheat and flour sales in 1958-59 and 51 percent of the rice sales. Cash sales of feed grains, however, represented 78 percent of the year's total.

Table 20.--Grains and grain products: U. S. exports under programs and dollar sales, 1957-58 and 1958-59

Item	1957-58			1958-59		
	Wheat	Rice	Coarse grains	Wheat	Rice	Coarse grains
	<i>Million bushels</i>	<i>Million cwt.</i>	<i>1,000 m. t.</i>	<i>Million bushels</i>	<i>Million cwt.</i>	<i>1,000 m. t.</i>
Title I, P.L. 480.....	179.1	5.1	1,005.5	229.2	3.7	1,399.0
Title II, P.L. 480.....	14.3	.4	178.3	10.9	(¹)	97.4
Barter.....	9.7	(¹)	393.4	20.1	2.6	638.6
Section 402, P.L. 665.....	31.2	.1	254.4	21.5	--	59.5
Section 416, Agricultural Act of 1949.....	17.9	.6	234.2	20.2	.7	236.7
Cash sales.....	149.7	5.9	6,372.1	141.4	7.2	8,470.2
Total.....	401.9	12.1	8,437.9	443.3	14.2	10,901.4

¹ Less than 50,000 cwt.

Source: Various agencies responsible for exports under specified programs and Bureau of Census, Department of Commerce. Cash sales represent a residual, i.e., total exports as reported by Bureau of Census less total shipments under various programs.

The most important single contributor to commercial exports for dollars is the U.S. foreign trade and economic policy which aims at giving other countries the opportunity to earn dollars needed in order to buy U.S. products. A substantial level of dollar exports is being achieved also within the framework of the Trade Agreement Program. Other contributing factors include the credit program of the Export-Import Bank and the Commodity Credit Corporation. An additional factor, as far as trade in 1959-60 is concerned, is general improvement in the balance of payments situation in many highly industrialized countries of Europe. Such improvements have established an environment favorable to elimination of discrimination for balance of payments reasons. Widespread moves to external convertability of currencies are also expected to be a factor favoring increased sales for dollars.

MARKET INFORMATION SERVICES

Dissemination of timely information on developments in foreign countries affecting the competitive status of U.S. bread and coarse grains, rice, feed grains, beans and peas, seeds, and hops continues to be one of the most important functions performed by the FAS Grain and Feed Division. This work aims to keep farmers, farm organizations, handlers, processors, and exporters up to date on the world supply and demand situation for those commodities, price developments, import requirements, export availabilities, and market opportunities. Thus, it enables them not only to take full advantage of their sales opportunities abroad but also to adjust their production and marketing operations in accordance with changing world supply and demand conditions.

This work pinpoints the basic economic information on world agricultural developments obtained from (a) intelligence reports of agricultural attachés, (b) various trade and market reports published in foreign countries, and (c) surveys abroad by the Division's commodity specialists.

Such informational materials are disseminated not only to the Nation's producing and trading interests but also to research institutions, trade journals, libraries, and the

general public through the usual departmental media of news dissemination. Market opportunities and other foreign developments are reported regularly in the Foreign Agricultural Service weekly publication, Foreign Crops & Markets. More detailed information and background, as well as general market surveys, are published frequently in Foreign Agricultural Service circulars and bulletins. Spot market reports are made to interested farm and trade groups as the information becomes available.

The Division's marketing specialists also report on market opportunities at meetings across the country. They travel widely, and have numerous direct contacts with foreign government officials, trading agencies, importers, and consumer groups. Those interested in being placed on the mailing list for such information should write to the Director, Foreign Market Information Division, Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C.

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